

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
OFFICE OF YOUTH SERVICES
820 Mililani Street, Suite 817
Honolulu, Hawaii 96813

Public Notice Date: Friday, October 20, 2006

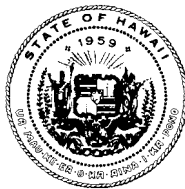
INVITATION FOR BIDS
IFB Number: HMS 503-06-03

SEALED BIDS
For
PHARMACEUTICAL SERVICES FOR YOUTH AT THE
HAWAII YOUTH CORRECTIONAL FACILITY

Offers (one original and 2 copies) Must Be Hand Delivered to the Office of Youth Services by Friday, December 1, 2006, 4:30 p.m., Hawaii Standard Time (H.S.T.), or Postmarked by the United States Postal Service Before Midnight on December 1, 2006. Deliveries By Private Mail Services Such As Federal Express (FedEx) And United Parcel Service (UPS) Shall Be Considered Hand Deliveries.

Questions related to this solicitation shall be directed to Kelly Otake, at (808) 587-5700.

Note: Each applicant using the IFB downloaded from the State Procurement Office (SPO) website must provide contact information to the OYS IFB coordinator (Ms. Kelly Otake, 808-587-5700, 808-587-5734 Fax) in order to be advised of any changes, updates, or addenda to the IFB. The State shall not be responsible for any missing addenda, attachments, or other information regarding the IFB if a proposal is submitted from an incomplete IFB.



Phone: (808) 587-5700
Fax: (808) 587-5734

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INVITATION FOR BIDS
PHARMACEUTICAL SERVICES FOR YOUTH AT THE HAWAII YOUTH
CORRECTIONAL FACILITY
IFB NO. HMS 503-06-03

The Department of Human Services (DHS), Office of Youth Services (OYS), is requesting offers from qualified Offerors to provide pharmaceutical services for youth at the Hawaii Youth Correctional Facility (HYCF). The contract term will commence on or about February 01, 2007 through January 31, 2009, and may be extended for up to an additional 24 months, at the discretion of the State, contingent upon performance and the availability of funds.

The original and 2 copies of the offer must be hand delivered by 4:30 p.m., Hawaii Standard Time (H.S.T.), or postmarked by the United States Postal Service (USPS) before midnight, on Friday, December 1, 2006, to the address below:

State of Hawaii
Department of Human Services
Office of Youth Services
820 Mililani Street, Suite 817
Honolulu, Hawaii 96813

Offers postmarked by the USPS after midnight, on December 1, 2006 or hand delivered after 4:30 p.m., H.S.T., on December 1, 2006 will not be considered and will be returned to the Offeror. Deliveries by private mail services such as Federal Express (FedEx) and the United Parcel Service (UPS) shall be considered hand deliveries. There are no exceptions to this requirement.

The deadline for submission of written questions is 4:30 p.m., H.S.T., on Monday, November 13, 2006. All written questions will receive a written response from the State by November 20, 2006.

Inquiries regarding this IFB should be directed to the IFB contact person, Ms. Kelly Otake, Office of Youth Services, 820 Mililani Street, Suite #817, Honolulu, Hawaii 96813, telephone: (808) 587-5700, fax: (808) 587-5734.

OFFER MAIL-IN AND DELIVERY INFORMATION SHEET

ONE ORIGINAL AND TWO (2) COPIES OF THE OFFER ARE TO BE SUBMITTED:

ALL MAIL-INS MUST BE POSTMARKED BY UNITED STATES POSTAL SERVICE (USPS) BEFORE 12:00 MIDNIGHT ON FRIDAY, DECEMBER 1, 2006

ALL MAIL-INS

Department of Human Services
Office of Youth Services
820 Mililani Street, Suite 817
Honolulu, Hawaii 96813

OYS IFB COORDINATOR

Ms. Kelly Otake
Phone: 587-5700
Fax: 587-5734

ALL HAND DELIVERIES WILL BE ACCEPTED AT THE FOLLOWING SITE UNTIL 4:30 P.M., H.S.T., ON FRIDAY, DECEMBER 1, 2006.

State of Hawaii
Department of Human Services
Office of Youth Services
820 Mililani Street, Suite 817
Honolulu, Hawaii 96813

BE ADVISED: All mail-ins postmarked by USPS after 12:00 midnight, Friday, December 1, 2006, will be rejected.

Hand deliveries will **not** be accepted after **4:30 p.m., H.S.T.**, Friday, December 1, 2006.

Deliveries by private mail services such as FEDEX or UPS shall be considered hand deliveries and will not be accepted if received after **4:30 p.m., H.S.T.**, Friday, December 1, 2006.

Section 1

Specifications

Specifications

1. SCOPE

The Offeror shall provide pharmaceutical services for youth under the care of the Hawaii Youth Correctional Facility (HYCF), Kailua, Oahu. The requested service will provide prescribed and over-the-counter medications and other pharmaceutical items for approximately 50 youth incarcerated at the HYCF on a daily basis. Delivery of medications and other pharmaceuticals will normally be once per day during the days and times described below. It is estimated that the total cost of the requested services will be approximately \$25,000 to \$30,000 annually.

2. OFFEROR'S RESPONSIBILITIES

The Offeror shall be responsible for the following services:

- a. Fill prescribed medication and over-the-counter requisitions from the HYCF.
- b. Delivery pharmaceuticals to the HYCF within a 24-hour period after orders are placed by the HYCF. Orders shall be delivered between the hours of 7:45 a.m. and 4:30 p.m. H.S.T., Monday to Saturday. Offeror shall not have any deliveries arrive on Sundays or State holidays.
- c. Deliver, within 2 hours of request by the HYCF, pharmaceuticals for urgent care seven (7) days per week, twenty-four (24) hours a day, on an on-call basis. The HYCF shall determine whether a youth is in need of urgent pharmaceutical care.
- d. Package medications in unit-dose blister cards containing two-part peel off reorder labels unless specifically designated otherwise by the HYCF.
- e. Have a quality assurance tool to monitor and measure the accuracy of ordering and delivery of medications. Failure to correct poor medication delivery and medication fill errors may result in the termination of the contract.

Section 2

Special Provisions

Administrative Overview

1. AUTHORITY

The furnishing of Pharmaceutical Services to the HYCF shall be in accordance with these Special Provisions, the attached Specifications, and the General Conditions Form AG2-GC (1/01) by reference made a part hereof and available at the State Procurement Office website: www.spo.hawaii.gov.

2. IFB ORGANIZATION

This IFB is organized into two sections:

Section 1, Specifications--Provides applicants with a general description of the tasks to be performed, delineates applicant responsibilities, and defines deliverables (as applicable).

Section 2, Special Provisions:

- ***Administrative Overview***--Provides applicants with an overview of the procurement process.
- ***Offer Application Instructions***--Describes the required format and content for the bid application.
- ***Offer Award***--Describes how bids will be awarded by the state purchasing agency.
- ***Attachments*** --Provides applicants with information and forms necessary to complete the application.

3. CONTRACT ADMINISTRATOR

For purposes of this contract, Kelly Otake, OYS Children and Youth Specialist, acting either directly or through her authorized representative is designated as the Contract Administrator. Ms. Otake may be contacted at telephone number (808) 587-5700.

4. TERM OF CONTRACT

Offeror shall enter into a contract for furnishing pharmaceutical services for the twelve-month period commencing on the date indicated on the Notice to Proceed.

Unless terminated, the contract may be extended for not more than two (2) additional twelve-month periods without the necessity of rebidding, upon mutual agreement in writing, provided the contract rate remains the same or is adjusted (by increasing/decreasing the initial percent) to lower the prevailing Medicaid cost of pharmaceuticals.

5. INVITATION FOR BID TIMELINE

Note that the Invitation for Bid timetable represents the State's best estimated schedule. Contract start dates may be subject to the issuance of a notice to proceed.

<u>Activity</u>	<u>Scheduled Date</u>
Public notice announcing IFB	10/20/06
Distribution of IFB	10/30/06
Closing date for submission of written questions for written responses	11/13/06
State purchasing agency's response to applicants' written questions	11/20/06
Bid submittal deadline	12/1/06
Opening of Bids	12/8/06
Contract start date	02/07

6. SUBMISSION OF QUESTIONS

Applicants may submit questions to the IFB Contact Person identified in the Administrative Overview section of this IFB. All written questions will receive a written response from the state purchasing agency.

Deadline for submission of written questions:

Date November 13, 2006 **Time:** 4:30 p.m. **HST**

State agency responses to applicant written questions will be provided by:

Date November 20, 2006

7. GENERAL REQUIREMENTS

- a. Offeror shall maintain all pharmaceutical standards and conforming to all applicable State and Federal laws governing pharmaceutical operations.
- b. Offeror shall not be an employee of the OYS.
- c. Offeror shall be subject to the rules, regulations, policies, and procedures of the HYCF, OYS, and the Department of Human Services.
- d. All services required shall be performed by the Offeror or his/her employees under his/her supervision, and all personnel assigned under this contract shall be fully qualified and shall be authorized under Federal, State, and local laws to perform such services.
- e. Offeror shall comply with all applicable laws of the Federal and State governments relating to workers' compensation, unemployment compensation, payment of wages, and safety.

8. ORDERING AND DELIVERY

- a. During the term of the contract, the facility will fax prescriptions to the Offeror as the medication(s) are needed. If the prescription requires prior authorization, the Offeror shall contact the facility immediately and inform the prescriber of the requirement. The Offeror shall identify alternative brands and dosages that are equivalent to the prior authorized prescription drug.
- b. The Offeror shall honor all orders received during the contract period and deliver according to the contract terms and within the delivery time.
- c. All medications ordered shall be delivered to the HYCF within twenty-four hours from receipt of the facility's faxed order. Medications shall arrive at the facility and at the temperature the medication requires.
- d. All deliveries shall arrive at the HYCF Monday through Saturday between the hours of 7:45 a.m. and 4:30 p.m., HST. The Offeror shall not have any deliveries arrive on Sundays or State holidays except for urgent care.

9. INVOICING

- a. The Offeror shall submit a claim for the prescription to the Department of Human Services Med-QUEST Division pharmacy fiscal agent, currently ACS. The Offeror is required to be a Medicaid provider and has access to all of the available electronic and phone verification systems. The Offeror may contact ACS to address claims filing questions and/or to arrange for electronic claims filing. The Offeror must notify HYCF if the claim is denied due to residents not eligible. HYCF shall make necessary adjustments to the eligibility file to pay the claim.
- b. If a prescription is not paid through the MQD pharmacy fiscal agent because the pharmaceutical drug was not a Medicaid-covered service, HYCF will pay for the pharmaceutical drug via an invoice. The Offeror shall send an original and three (3) copies of the invoice, on a monthly basis, to the HYCF at the following address:

Hawaii Youth Correctional Facility
42-477 Kalanianaʻole Highway
Kailua, Hawaii 96734

An attachment submitted with invoices shall include:

- i) Name of the youth and prescribed medication,
- ii) Quantity of medications and date dispensed,
- iii) Name of the prescriber of the medication,
- iv) Medicaid cost of the medication,
- v) Adjusted unit cost of the medication based on the contracted rate of decrease or increase.

- c. The State shall be invoiced at the Medicaid rate.
- d. All invoices shall reference the contract number assigned to the contract.
- e. A tax clearance certificate not over two (2) months old with an original green certified must be submitted for final payment on the contract. In addition to the tax clearance certificate, an original "Certification of Compliance for Final Payment" (SPO Form-22) will be required for final payment. A copy of the Form is available at www.spo.hawaii.gov. Select "Forms for Vendors/Contractors" from the Chapter 103D, HRS, pop-up menu.

10. LIQUIDATED DAMAGES

Liquidated damages is fixed at the sum of FIFTY DOLLARS (\$50.00) per day for each and every time the Offeror fails to perform in whole or in part any of its obligations hereunder. Liquidated damages may be deducted from any payments due or become due to the Offeror.

Offer Application Instructions

1. OFFER PREPARATION

- a. **Offer Form, Page OF-1.** Offeror is requested to submit its offer using Offeror's exact legal name as registered with the Department of Commerce and Consumer Affairs, if applicable; and to indicate the exact legal name in the appropriate space on Offer Form, page OF-1. Failure to do so may delay proper execution of the contract.

Offeror's authorized signature shall be an original signature in ink. If the Offer Form, page OF-1, is unsigned or the affixed signature is a facsimile or a photocopy, the offer shall be automatically rejected unless accompanied by other material which contains an original signature indicating the Offeror's intent to be bound.

- b. **Bid Price.** Offeror shall list the percent (%) by which the prevailing Medicaid cost of pharmaceuticals will be decreased or increased. The rate of decrease or increase submitted, plus the cost of pharmaceuticals at the prevailing Medicaid rate, shall be the all-inclusive cost to the State and no other charges will be honored. The percent (%) shall include all applicable taxes and any other costs incurred.
- c. **Offer Guaranty.** An offer guaranty is not required for this solicitation.
- d. **Multiple or Alternate Offers.** Multiple or alternate offers are not allowed and shall be rejected.
- e. **Bid Samples.** Bid samples or descriptive literature should not be submitted with the offer.
- f. **Tax Liability.** A vendor doing business in the State of Hawaii, as evidenced by its Hawaii General Excise Tax (GET) license number, is liable for the Hawaii GET. If, however, an Offeror is exempt by the Hawaii Revised Statutes (HRS) from paying the GET and therefore not liable for the taxes on this solicitation, Offeror shall state its tax exempt status and cite the HRS chapter or section allowing the exemption.
- g. **Taxpayer Preference.** For evaluation purposes, pursuant to Section 103-53.5, HRS, as amended, the bid price submitted by an Offeror not liable for the GET under this solicitation, shall be increased by the current rate of the GET. Under no circumstance shall the dollar amount of the award include the aforementioned adjustment.
- h. **Insurance.** Offeror shall provide insurance information as requested on the attached Special Conditions.
- i. **References.** Offeror shall provide references on Offer Form, page OF-2, of at least two hospitals and/or established clinical institutions to which pharmaceutical services, similar to the services specified herein, have recently been provided. The

State reserves the right to contact the references to inquire about Offeror's current and past service performance.

- j. **Subcontractors**. Offeror shall list on the Offer Form, page OF-3, all subcontractors to be used to perform any of the services specified herein. The State reserves the right to request additional information about any subcontractor listed. Such information shall be provided to the State within five (5) days from the State's request.

Offeror shall not delegate any duties covered under this contract to any subcontractor other than the subcontractor(s) listed on Offer Form, page OF-3, unless written approval is given by the State. The State reserves the right to approve all subcontractors and to require Offeror to replace any subcontractor found to be unacceptable. The Offeror shall be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the contract, and shall be responsible for all contract services, whether or not the Offeror performs them.

- k. **Wage Certificate**. Offeror shall complete the attached wage certification by which Offeror certifies that the services required shall be performed pursuant to Section 103-55, HRS. Only Item No. 2 pertains to this contract.
- l. **Confidential Information**. If an Offeror believes any portion of a proposal contains information that should be withheld as confidential, subject to section 3-122-58, HAR, the Offeror shall request in writing nondisclosure of designated proprietary data to be confidential and provide justification to support confidentiality. Such data shall accompany the proposal, be clearly marked, and shall be readily separable from the proposal to facilitate eventual public inspection of the non-confidential sections of the proposal. Pricing data shall not be considered confidential.

2. REQUIREMENT FOR AWARD

Offeror shall, upon award of a contract, furnish the following documents to the OYS to demonstrate compliance with the requirements of Section 3-122-112, HAR.

- a. **HRS Chapter 237, tax clearance requirement for award.** Instructions are as follows:
 - i. Pursuant to Section 103D-328, HRS, successful Offeror shall be required to submit a tax clearance certificate issued by the Hawaii State Department of Taxation (DOTAX) and the Internal Revenue Service (IRS). The certificate is valid for six (6) months from the most recent approval stamp date on the certificate and must be valid on the date it is received by the purchasing agency.
 - ii. The tax clearance certificate shall be obtained on the State of Hawaii, DOTAX TAX CLEARANCE APPLICATION Form A-6 (Rev. 2003) which is available at the DOTAX and IRS offices in the State of Hawaii or the DOTAX website, and by mail or fax:

DOTAX Website (Forms & Information):
<http://www.state.hi.us/tax/alphalist.html#a>

DOTAX Forms by Fax/Mail:
(808) 587-7572
1-800-222-7572

- iii. Completed tax clearance applications may be mailed, faxed, or submitted in person to the Department of Taxation, Taxpayer Services Branch, to the address listed on the application. Facsimile Numbers are:

DOTAX: (808) 587-1488
IRS: (808) 539-1573

- iv. The application for the clearance is the responsibility of the Offeror, and must be submitted directly to the DOTAX or IRS and not to the purchasing agency.

b. HRS Chapters 383 (Unemployment Insurance), 386 (Workers' Compensation), 392 (Temporary Disability Insurance), and 393 (Prepaid Health Care) requirements for award. Instructions are as follows:

- i. Pursuant to Section 103D-310(c), HRS, successful Offeror shall be required to submit an approved certificate of compliance issued by the Hawaii State Department of Labor and Industrial Relations (DLIR). The certificate is valid for six (6) months from the date of issue and must be valid on the date it is received by the purchasing agency.
- ii. The application for the certificate is the responsibility of the Offeror and must be submitted directly to the DLIR, and not to the purchasing agency.
- iii. The certificate of compliance shall be obtained on the State of Hawaii, DLIR APPLICATION FOR CERTIFICATE OF COMPLIANCE WITH SECTION 3-122-112, HAR, Form LIR#27 which is available at <http://www.dlir.state.hi.us> (scroll down to Employer Forms, LIR#27), or at the neighbor island DLIR District Offices. The DLIR will return the form to the Offeror who in turn shall submit it to the purchasing agency.

c. Certificate of Good Standing. Instructions are as follows:

- i. Hawaii business. A business entity referred to as a "Hawaii business", is registered and incorporated or organized under the laws of the State of Hawaii. As evidence of compliance, Offeror shall submit a CERTIFICATE OF GOOD STANDING issued by the Department of Commerce and Consumer Affairs Business Registration Division (BREG). A Hawaii business that is a sole proprietorship, however, is not required to register with the BREG, and therefore not required to

submit the certificate. An Offeror's status as sole proprietor or other business entity and its business street address indicated on the Offer Form page OF-1 will be used to confirm that the Offeror is a Hawaii business.

- ii. *Compliant non-Hawaii business.* A business entity referred to as a "compliant non-Hawaii business" is not incorporated or organized under the laws of the State of Hawaii but is registered to do business in the State. As evidence of compliance, Offeror shall submit a CERTIFICATE OF GOOD STANDING.

To obtain a CERTIFICATE OF GOOD STANDING, go online to www.BusinessRegistrations.com and follow the prompt instructions. To register or to obtain a "Certificate of Good Standing" by phone, call (808) 586-2727 (M-F 7:45 to 4:30 HST). The "Certificate of Good Standing" is valid for six months from date of issue and must be valid on the date it is received by the purchasing agency. Offerors are advised that there are costs associated with registering and obtaining a "Certificate of Good Standing" from the DCCA.

- d. **Timely Submission of all Certificates.** The above certificates should be applied for and submitted to the purchasing agency as soon as possible. If a valid certificate is not submitted on a timely basis for award of a contract, an offer otherwise responsive and responsible may not receive the award.

3. OFFEROR QUALIFICATION

- a. Offeror shall have a licensed pharmacist on staff and must submit a copy of the pharmacist's license with the offer submittal.
- b. Offeror shall submit any other required licenses/certifications required to provide medications required for this contract.
- c. Offeror's pharmacy shall be licensed to dispense medication in the State of Hawaii, or if Offeror is an out-of-state pharmacy, shall have a miscellaneous permit to conduct business in the State of Hawaii by mail-order.
- d. Offeror must submit a copy of the pharmacy license or permit with the offer submittal.
- e. Failure to submit a copy of licenses may be grounds for rejection of the offer.
- f. Experience in providing pharmaceutical services in a corrections institutional setting and experience in providing client pharmaceutical utilization cost management services are preferred, but not required.

4. RESPONSIBILITY OF OFFERORS

Offeror is advised that if awarded a contract under this solicitation, Offeror shall, upon award of the contract, furnish proof of compliance with the requirements of Section 3-122-112, Hawaii Administrative Rules (HAR).

- a. Chapter 237, tax clearance;
- b. Chapter 383, unemployment insurance;
- c. Chapter 386, workers' compensation;
- d. Chapter 392, temporary disability insurance;
- e. Chapter 393, prepaid health care; and
- f. One of the following:
 - i. Be registered and incorporated or organized under the laws of the State (hereinafter referred to as a "Hawaii business"); or
 - ii. Be registered to do business in the State (hereinafter referred to as a "compliant non-Hawaii business").

5. DISQUALIFICATION OF OFFERORS

An Offeror shall be disqualified and his offer automatically rejected for any one or more of the following reasons:

- a. proof of collusion, in which case, all offers involved in the collusive action will be rejected and any participant to such collusion shall be barred from future solicitations until reinstated;
- b. Offeror's lack of responsibility and cooperation as shown by past work or services;
- c. Offeror being in arrears on existing contracts with the State or having defaulted on previous contracts;
- d. Offeror's lack of proper equipment and/or sufficient experience to perform the work contemplated;
- e. Offeror does not possess proper license to cover the type of work contemplated, if required;
- f. Offeror's delivery of the offer after the deadline specified in the public notice calling for offers, or as amended, except as allowed in Section 3-122-29(1), HAR;

- g. Offeror's failure to pay, or satisfactorily settle, all bills overdue for labor and material on former State contracts at the time of issuance of solicitation.

6. FAXED DOCUMENTS

Unless requested by the State, faxed documents shall not be allowed prior to bid opening.

7. OFFER SUBMITTAL

Offeror must submit the offer in a sealed envelope identified with the following information:

- Offeror's name, address, and telephone number;
- The words, "INVITATION FOR BIDS";
- The Invitation for Bids number and title;
- The date and time of the bid opening;

Offers will be received up to the time and date fixed in the public notice for opening of bids, or as amended. Offers failing to meet the bid opening deadline shall not be considered for award.

Offer Award

1. OPENING AND INSPECTION OF OFFERS

Offers shall be opened on Friday, December 8, 2006, at 10:00 a.m., at the OYS. At the bid opening, all offers may be inspected after having been publicly read, provided that only one offer be inspected at a time and that no offers shall be permitted to leave the bid opening room.

After the formal procedure of bid opening, all offers will be evaluated for award recommendation. During this period, offers will not be available for inspection.

2. METHOD OF AWARD

Award, if made, shall be to the responsive and responsible Offeror submitting the highest all inclusive percentage (%) by which the prevailing Medicaid cost of pharmaceuticals shall be decreased.

If there are no offers with a percentage decrease, then award, if made, shall be to the responsive and responsible Offeror submitting the lowest all inclusive percentage (%) by which the prevailing Medicaid cost of pharmaceuticals shall be increased.

If all bids exceed available funds the provisions of subsection 103S-302(h), HRS, shall apply.

In the event of a low tie bid, bids from responsive, responsible bidders that are identical in price and meet all the requirements and criteria set forth in the IFB, at the discretion of the procurement officer, award shall be made in a permissible manner that will resolve tie bids including:

1. Award the contract to a business providing goods produced or manufactured in this State or to a business that otherwise maintains a place of business in this State.
2. Award the contract to the bidder offering a low tie bid who received the previous award.

If no permissible method will be effective in resolving the tie bids and a written determination is made so stating, award may be made by drawing lots.

If there is only one responsive, responsible bidder an award may be made to the single bidder, provided:

1. The procurement officer determined in writing that the price submitted is fair and reasonable, and that either:
 - a. Other prospective bidders had reasonable opportunity to respond, or
 - b. There is not adequate time for resolicitation; or
2. The bid exceeds available funds as certified by the appropriate fiscal officer and the price is negotiated pursuant to subsection 103D-302 (h), HRS.

The bid may be rejected pursuant to subchapter 11 and new bids or officers may be solicited if the conditions in paragraph (1) are not met.

The proposed procurement may be cancelled or an alternative procurement method may be conducted to include direct negotiations with the sole bidder first, and then with any contractor or vendor should negotiations with the sole bidder fail, provided the procurement officer determines in writing that the need for the good, service, or construction continues, but that the price of the one bid is not fair and reasonable and either that:

If for a given invitation for bids there are no bids received or there are no responsive, responsible bidders, the procurement officer may determine that it is neither practicable, nor advantageous to the State to issue a new solicitation. When making this determination, consideration shall be given to:

1. Time constraints;
2. Competition in the marketplace; and preparing, soliciting, and evaluating competitive sealed bids is expected to exceed the benefits normally associated with the solicitations.

In the event of this determination, an alternative procurement method may be selected to include direct negotiations.

The solicitation may be canceled or the offers may be rejected, in whole or in part, when it is in the best interest of the State, as provided in Sections 3-122-95 through 3-122-97, Hawaii Administrative Rules (HAR).

3. CONTRACT EXECUTION

- a. The Offeror(s) receiving an award shall be required to enter into a formal written contract. A performance and payment bond is not required for this contract.
- b. Any agreement arising out of this offer is subject to the approval of the Department of the Attorney General as to form, and to all further approvals, including the approval of the Governor, required by statute, regulation, rule, order, or other directive.
- c. Liability insurance shall be required of the Offeror and, if applicable, to all of Offeror's subcontractors.
- d. No work is to be undertaken by the Offeror prior to the commencement date. The State of Hawaii is not liable for any work, costs, expenses, loss of profits, or any damages whatsoever incurred by Offeror prior to the official starting date.
- e. If the option to extend for each twelve-month period is mutually agreed upon, the Offeror shall be required to execute a supplement to the contract for each extended period.

Attachments

SPECIAL CONDITIONS

1. Insurance.

The CONTRACTOR shall obtain, maintain, and keep in force throughout the period of this Agreement liability insurance (the "Liability Insurance") issued by an insurance company in a combined amount of at least TWO MILLION AND NO/100 DOLLARS (\$2,000,000.00) and medical professional liability insurance of at least ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00), or such lesser amount requested in writing by the CONTRACTOR and, for good cause shown, approved by the head of the purchasing agency, which approval, if any, is incorporated herein by reference, for bodily injury and property damage liability arising out of each occurrence. The Liability Insurance shall provide that it is the primary insurance for the State of Hawaii and the purchasing agency for any liability arising out of or resulting from occurrences connected with the CONTRACTOR's performance under this Agreement. Prior to or upon execution of this Agreement, the CONTRACTOR shall obtain a certificate of insurance verifying the existence of the necessary liability insurance coverage, including the coverage of the State of Hawaii. If the scheduled expiration date of the liability insurance policy is earlier than the expiration date of the time for performance under this Agreement, the CONTRACTOR, upon renewal of the policy, shall promptly cause to be provided to the STATE an updated certificate of insurance. The certificates of insurance shall expressly provide that the insurance policy shall not be cancelled unless the insurance company has first given to the STATE thirty (30) calendar days' written notice of the intended cancellation.

In order to protect the CONTRACTOR as well as the State of Hawaii covered under the indemnification provision in this Agreement, the CONTRACTOR shall obtain and keep in force throughout the period of this Agreement the following insurance:

Automobile liability insurance for automobiles owned or leased by the OFFEROR and used to carry out services specified in this Agreement shall be obtained from a company authorized to do business in the State, or meet Section 431:8-301, Hawaii Revised Statutes if utilizing an insurance company not licensed by the State of Hawaii, and complying with the Hawaii No Fault Insurance Law. The combined amount shall be at least ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00) with respect to bodily injury and to property damage. The OFFEROR's policy shall name the State of Hawaii as additional insured. Prior to or upon execution of this Agreement, the OFFEROR shall furnish the STATE with a Certificate of Insurance, verifying the existence of such insurance. Such certificate shall also expressly provide that such insurance shall not be canceled unless the insurance company has first given to the STATE thirty (30) calendar days' written notice of the intended cancellation.

If the OFFEROR is authorized by the STATE to subcontract, subcontractor(s) is not excused from the Indemnification and/or Insurance provisions of this Agreement. The OFFEROR agrees to require its subcontractor(s) to obtain insurance in order to indemnify the STATE.

Failure of the OFFEROR to provide and keep in force such insurance shall be regarded as material default under this Agreement, entitling the STATE to exercise any or all of the remedies provided in this Agreement for default of the OFFEROR.

The procuring of such required policy or policies of insurance shall not be construed to limit the OFFEROR's liability hereunder nor to fulfill the indemnification provisions and requirements of this Agreement. Notwithstanding said policy or policies of insurance, the OFFEROR shall be obliged for the full and total amount of any damage, injury, or loss caused by the negligent act or omission of the OFFEROR or its authorized representatives.

2. **Confidential Information.** In addition to Paragraph 24, Confidentiality of Material, Exhibit "D", General Conditions, the OFFEROR further agrees to the following:

All information and records about or for the clients served, secured from clients, the STATE, or any other individuals or agencies by the OFFEROR, or prepared by the OFFEROR for the STATE, in satisfaction of this Agreement, shall be confidential and shall not be made available to any individual or organization by the OFFEROR without prior written approval of the STATE, subject to provisions of applicable State of Hawaii and Federal statutes, and State of Hawaii Administrative Rules. To ensure the confidentiality of all such information and records, the OFFEROR shall immediately notify the STATE when inquiries for information, including subpoenas are made to the OFFEROR. The OFFEROR shall submit copies of all written requests for information, as well as subpoenas, to the STATE.

3. **Maintain Records.** Paragraph 31, Records Retention, Exhibit "D", General Conditions, is revised to read as follows:

The OFFEROR shall maintain statistical, clinical, and administrative books and records pertaining to services of this Agreement. The records shall be subject at all reasonable times to inspection or review by the STATE or Federal representatives directly connected with the program area under this Agreement. All records shall be retained and made accessible for a minimum of six years after the date of submission of the OFFEROR's final report to the STATE; provided that, in the event any litigation, claim, negotiation, investigation, audit, or other action involving the records has been started before the expiration of the 6-year period, the OFFEROR shall retain the records until completion of the action and resolution of all issues that arise from it or until the end of the regular 6-year retention period, whichever occurs later.

4. **Publications.** The OFFEROR shall submit all reports and written publications resulting from this Agreement for review, comment and approval prior to publication. Any publications (written, visual or sound), whether published at the OFFEROR's or STATE's expense, shall contain the following statements (Note: This excludes press releases, newsletters, and issue analyses):

This project was supported by an Agreement from the Office of Youth Services, Department of Human Services, State of Hawaii (and if applicable, the name and federal award number of a federal grant funding the contract).

The opinions, findings, and conclusions or recommendations expressed in this publication/program/exhibition are those of the author(s) and do not necessarily reflect the views of the Office of Youth Services (and if applicable, the federal grant agency).

5. **HIPAA.** In this Agreement “HIPAA” means the Administrative Simplification provisions of the *Health Insurance Portability and Accountability Act of 1996*, Pub. L. No. 104-191. OFFEROR is not a “health care provider” under HIPAA. A “covered entity” is a health care provider that transmits information in a standard electronic transaction under 45 CFR Parts 160 and 162. If OFFEROR is or becomes a “covered entity”, then OFFEROR must comply with all of the rules adopted to implement HIPAA, including rules for privacy of individually identifiable information, security of electronic protected health information, transactions and code sets, and national employer and provider identifiers. See, 45 CFR Parts 160, 162, and 164.

WAGE CERTIFICATE
(For Service Contracts)

Subject: IFB/RFP No.: _____

Title of IFB/RFP: _____

(To be completed by Offeror)

Pursuant to Section 103-55, Hawaii Revised Statutes (HRS), I certify that if awarded the contract in excess of \$25,000, the services to be performed will be performed under the following conditions:

1. The services to be rendered shall be performed by employees paid at wages or salaries not less than the wages paid to public officers and employees for similar work; and
2. All applicable laws of the federal and state governments relating to workers' compensation, unemployment compensation, payment of wages, and safety will be fully complied with.

I understand that failure to comply with the above conditions during the period of the contract shall result in cancellation of the contract, unless such noncompliance is corrected within a reasonable period as determined by the procurement officer. Payment in the final settlement of the contract or the release of bonds, if applicable, or both shall not be made unless the procurement officer has determined that the noncompliance has been corrected; and

I further understand that all payments required by Federal and State laws to be made by employers for the benefit of their employees are to be paid in addition to the base wage required by Section 103-55, HRS.

Offeror _____

Signature _____

Title _____

Date _____

PHARMACEUTICAL SERVICES
Hawaii Youth Correctional Facility

Procurement Officer
Office of Youth Services
State of Hawaii
820 Mililani Street, Suite 817
Honolulu, Hawaii 96813

Dear Sir:

The undersigned has carefully read and understands the terms and conditions specified in the Specifications and Special Provisions attached hereto, and in the General Conditions Form AG2-GC(1/01), by reference made a part hereof and available upon request; and hereby submits the following offer to perform the work specified herein, all in accordance with the true intent and meaning thereof. The undersigned further understands and agrees that by submitting this offer, 1) he/she is declaring his/her offer is not in violation of Chapter 84, Hawaii Revised Statutes, concerning prohibited State contracts, and 2) he/she is certifying that the price(s) submitted was (were) independently arrived at without collusion.

The undersigned represents: **(Check ☒ one only)**

- ☐ A **Hawaii business** incorporated or organized under the laws of the State of Hawaii; **OR**
☐ A **Compliant Non-Hawaii business** not incorporated or organized under the laws of the State of Hawaii, but registered at the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division to do business in the State of Hawaii.

State of incorporation: _____

Offeror is:

- ☐ Sole Proprietor ☐ Partnership ☐ Corporation ☐ Joint Venture
☐ Other _____

Federal I.D. No.: _____

Hawaii General Excise Tax License I.D. No.: _____

Payment address (other than street address below): _____

City, State, Zip Code: _____

Business address (street address): _____

City, State, Zip Code: _____

Respectfully submitted:

(x) _____

Authorized (Original) Signature

Date: _____

Telephone No.: _____

Name and Title (Please Type or Print)

Fax No.: _____

* _____
Exact Legal Name of Company (Offeror)

E-mail Address _____

*If Offeror is a "dba" or a "division" of a corporation, furnish the exact legal name of the corporation under which the awarded contract will be executed:

The following offer is hereby submitted for _____, furnishing Pharmaceutical Services for the Hawaii Youth Correctional Facility (HYCF), as specified herein:

The percent (%) by which the prevailing Medicaid cost of pharmaceuticals will be decreased or increased. If submitting a percentage increase, the percent submitted is to be no greater than 2%. The rate of decrease or increase submitted, plus the cost of pharmaceuticals at the prevailing Medicaid rate, shall be the all-inclusive cost to the State for the services specified herein. Offeror shall submit either a percentage decrease or a percentage increase. Multiple offers are not allowed and shall be rejected.

Percent by which the prevailing Medicaid cost for pharmaceuticals will be decreased: _____%

OR

Percent by which the prevailing Medicaid cost for pharmaceuticals will be increased: _____%

Insurance Coverage

1. Commercial General Liability: _____
Underwriter
2. Medical Professional Liability: _____
Underwriter

Name of Agent: _____

Telephone: _____

Recent References (minimum of two)

<u>Hospital / Clinical Institution</u>	<u>Contact Person</u>	<u>Telephone no.</u>
Name: _____	_____	_____
Name: _____	_____	_____

Offeror: _____

Subcontractor(s)

Will any part of the services specified herein be subcontracted? ____Yes ____No

If yes, list below all subcontractors to be used and what portion of the services the subcontractor(s) will be providing (use additional sheets of paper, if necessary):

- Name of subcontractor: _____
Portion of services to be provided by subcontractor: _____
- Name of subcontractor: _____
Portion of services to be provided by subcontractor: _____

Offeror: _____